

ARTHUR J. DELLINGER, SR. NOMINATION

HEARING BEFORE THE COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE NINETY-SEVENTH CONGRESS

SECOND SESSION
ON THE
NOMINATION OF ARTHUR J. DELLINGER, SR., TO BE DEPUTY
INSPECTOR GENERAL, DEPARTMENT OF ENERGY

JUNE 28, 1982

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(III)

ARTHUR J. DELLINGER SR., NOMINATION

MONDAY, JUNE 28, 1982

U. S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, D.C.

The committee met, pursuant to notice, at 10 a.m., in room 3110, Dirksen Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

Also present: Charles A. Trabandt, chief counsel; E. David Doane, counsel; and D. Michael Harvey, chief counsel for the minority.

OPENING STATEMENT OF HON. JAMES A. McCLURE, A U. S. SENATOR FROM THE STATE OF IDAHO

The CHAIRMAN. The committee will come to order. This is a hearing to consider the Presidential nomination of Arthur J. Dellinger, Sr., to be Deputy Inspector General of the Department of Energy.

The Deputy Inspector General has two primary responsibilities, both of which have been established by law and are set forth in the Department of Energy Organization Act.

First, he assists the Inspector General in the administration of the Office of Inspector General. Second, he would act as Inspector General during the absence or temporary incapacity of the Inspector General, or during a vacancy in that office.

In assisting the Inspector General, the Deputy IG assumes the duty of detecting and preventing fraud or abuse in the Department's programs and operations. He also has the responsibility of promoting economy and efficiency in all DOE activities. In carrying out these duties, the Deputy IG conducts and supervises audits and investigations, and he also makes recommendations on policy changes and other corrective actions.

The Deputy Inspector General must have both the technical expertise and the demonstrated ability that will enable him to undertake his duties immediately, and to perform his job efficiently and effectively.

Mr. Dellinger certainly meets these criteria. He would bring to the IG's Office extensive professional experience in accounting. He has practiced as a certified public accountant for over 30 years. During that period he has dealt with a broad variety of accounting issues, and, of particular importance, he has acquired substantial experience as an auditor. In short, Mr. Dellinger is well qualified to be Deputy Inspector General.

Mr. Dellinger, the rules of the committee which apply to all nominees require that they be sworn in connection with their testimony. Please rise and raise your right hand.

[Whereupon, Arthur J. Dellinger, Sr., was duly sworn by the chairman.]

The CHAIRMAN. Please be seated, Mr. Dellinger.

Before you begin your statement there are four questions addressed to all the witnesses before this committee who are nominated for positions in the administration. I would like to ask these questions of you.

Will you be available to appear before this committee and other congressional committees to represent departmental positions and respond to issues that are of concern to the Congress?

Mr. DELLINGER. I will.

The CHAIRMAN. Your informational statement has been submitted to the committee. However, it is required that this statement be made public unless the committee decides a special circumstance justifies an exception.

Do you have any objection to the publication of your informational statement?

Mr. DELLINGER. I have no objection.

The CHAIRMAN. Are you aware of any personal holdings, investments or interests that can constitute a conflict of interest, or create the appearance of such a conflict should you be confirmed and assume the office to which you have been nominated by the President?

Mr. DELLINGER. As disclosed in my letter amendment to my informational statement on file with the committee, if confirmed I will withdraw from active participation as a partner in the accounting firm of Dellinger & Dellinger. However, I will not withdraw my capital account balance with the firm.

To avoid any conflict of interest or appearance thereof, I have provided the Department and this committee with the following recusal statement. It reads as follows:

If confirmed and appointed as Deputy Inspector General, I will recuse myself during my tenure in office from providing advice with regard to, or any other participation in, any particular matters specifically involving any client for whom I have personally performed accounting services, either as an individual, or in association with an accounting firm. Furthermore, I will recuse myself from providing advice with regard to, or any other participation in, any particular matter involving any past, present, or future client of any accounting firm in which I have a financial interest. For the purpose of this statement "client" is defined to include a party whose relationship to any such firm is commonly considered to be on a retainer basis. This recusal is not intended to inhibit my participation in the formulation or promulgation of a rule of general application.

Mr. Chairman, I am not aware of any other matters which might give rise to a conflict of interest or an appearance thereof.

The CHAIRMAN. Thank you. Are you involved in, or do you have any assets held in a blind trust?

Mr. DELLINGER. No.

The CHAIRMAN. You may proceed with your statement.

**STATEMENT OF ARTHUR J. DELLINGER, SR., NOMINEE TO BE
DEPUTY INSPECTOR GENERAL, DEPARTMENT OF ENERGY**

Mr. DELLINGER. Mr. Chairman and members of this committee, it is a great honor to appear before you as the President's nominee to be the Deputy Inspector General of the Department of Energy.

It is the duty and responsibility of the Deputy Inspector General to assist the Inspector General in performing the duties of the Office of the Inspector General as mandated by section 208 of Public Law 95-91. That statute requires that the Inspector General formulate and implement policies within the Department of Energy to promote economy and efficiency and to prevent fraud and waste.

The Department of Energy is a complex and multi-missioned Department whose activities range from the development and assembly of nuclear weapons to the funding of energy audits for schools and hospitals. It directly employs over 17,000 employees in facilities located across the country. Further, it is indirectly responsible for the work of thousands of employees working at Government owned, contractor-operated production and research facilities. It has over 4,200 active contracts with a face value of over \$100 billion of which approximately 45 percent are of a cost-type. It is providing over 5,000 financial assistance awards and grants with a value of approximately \$1.8 billion. The research and development activities of the Department alone involve over \$4.5 billion. In short, the scope of the mission of the Department in terms of people, programs, and expenditures is soberingly large. It goes without saying that, in my judgment, its activities are vitally important to the present and future welfare of this country, and, indeed, the free world. It is also clear to me that the role of the Inspector General's office is vital to the successful accomplishment of the Department's mission by helping to insure that the Department's activities are conducted as efficiently, effectively, and economically as possible and that this office be ever vigilant to prevent waste and, most certainly, fraud.

It is certainly appropriate to ask what I can bring to this position of great responsibility.

As a practicing certified public accountant for almost 32 years and with a law degree, I have gained valuable experience in audits and investigatory work, and have dealt with the communication of the results of such work to the persons for whom the engagements were performed. In addition, my professional experience has provided me with knowledge gained through practice before agencies of Government, including Federal, State, and local, and in both domestic and international areas.

More specifically, my work has been clearly associated with the examination of the accounting records and internal programs of management to determine deficiencies resulting in waste or wrongdoing and to recommend corrective procedures. These engagements have covered a wide range of commercial and industrial enterprises of varying size. Also, these have included a corporation wholly owned by the U.S. Government, although located in a foreign country.

For example, in one case, a client with 88 branches operating in 4 major population centers across the United States was found, upon audits conducted under my supervision, to have inadequate internal controls over cash, resulting in the actual loss of many thousands of dollars. My corrective recommendations resulted in improved controls which were implemented by management to the direct benefit of the enterprise.

Another instance was that of an Indian tribe which purchased a resort property from its commercial operator, under financing by a direct loan from the Bureau of Indian Affairs. Upon audit at the time of acquisition, it was found that adequate controls over property, inventories, and customer and tenant credit were totally lacking. Upon my recommendations to management, corrective measures were taken.

Although my professional experience has not included employment in the Government, I believe the ability to work with and apply the standard auditing procedures required of a certified public accountant in the private sector is of equivalent value in Government.

With my training, background, and experience, with the guidance provided by the language and legislative history of the DOE Act, and with the assistance of a competent staff, I assure this committee that I am fully committed to assist the Inspector General, as his Deputy, and to seek out, expose and report any waste or fraud in its activities and to promote economy and operating efficiency in the Department of Energy. I must add that my commitment to undertake this most challenging assignment is reinforced in no small measure by my personal knowledge of the President's own oft-expressed strong support for the work of the Inspectors General, not only in the Department of Energy, but throughout the Government.

I would be happy to answer any questions.

The CHAIRMAN. Thank you very much. In your testimony you refer to section 208 of Public Law 95-91, the DOE Organization Act. I note that section 208 provides that the Inspector General and the Deputy IG shall not be under the control of, or subject to supervision by, any other officer of the Department.

What is your interpretation of the meaning of that particular provision?

Mr. DELLINGER. Mr. Chairman, that provision, I believe, is something that I've been accustomed to in all of my professional life as a certified public accountant, and that is the independence that is required in exercising the means to carry out the work which we are charged to do, and to not be under the control of, nor be influenced by, any of the other officers within the Department of Energy in this particular case; and to report only to the Secretary, and through the Secretary, in turn, to report to the Assistant Secretary for Management and Administration.

The CHAIRMAN. You are comfortable with that dual role, that you are of the Department, but not controlled by it?

Mr. DELLINGER. I believe that the statute provides for complete independence and it's a matter of personally maintaining that independence; cooperation, but not to take direction from any of the officers.

The CHAIRMAN. If officials of the Department of Energy were made uncomfortable by some of your investigations, if they were to call you and talk to you about it, how would you respond to their attempts, if any were made, to influence what you were doing?

Mr. DELLINGER. I would first consult the Inspector General concerning these calls, and with his direction the matter would be taken care of and it would be quickly, I believe, called to their attention. Independence has to be maintained, and there could be no suggestions or hint of any change.

The CHAIRMAN. It's a difficult role. I think you and I both know just as it would be in a private practice, you work for a client. The client has to have the confidence in you to give you information, and he has to be candid in that information. In doing so, he also sometimes would say, well don't look at that too closely, or yes I know there is a problem there, but I don't want you to look into that. In the private sector you can do that. In the public sector you are directed not to do that.

Mr. DELLINGER. In the private sector, too, Mr. Chairman, I have found certain instances over my career where there were attempts to influence, or to change an audit result or a report result. I have never succumbed to such suggestions or any pressures whatsoever.

As a matter of fact—although I do not want to take this committee's time to provide examples—at one point several years ago I withdrew our accounting firm from a major underwriting because of such pressures.

The CHAIRMAN. You described in your testimony the enormous size of DOE's operations, and indeed it is enormous. You mention that DOE has over 4,200 active contracts with a face value of over \$100 billion. Even in Federal Government that is a fairly impressive figure, far larger than is normal in the private sector.

As an experienced accountant and auditor, you would be in a position when you assume your office to evaluate the task of auditing these contracts and to determine whether the IG's office has adequate manpower to do the job. That's always a problem for us. We want you to have enough tools to get the job done, and yet we don't want to encourage you to ask for more than is necessary.

How are you going to balance your request to us so we can balance the demands on the budget?

Mr. DELLINGER. The Inspector General's office has limited audit resources when we are speaking of numbers of this magnitude. We have, I believe, 93 in the audit staff, and under the direction of the Inspector General, if asked, I would analyze the position of the audits at the present time and direct my suggestions toward seeking the insight into the audits of those contracts which have the largest amounts involved first. It is in the large contracts with many dollars involved that I believe we find the greatest risk of waste and fraud.

The CHAIRMAN. We certainly don't want, and would not assume that you would want to try to set up paralleling organizations where there is an auditor standing behind every active participant.

What is a reasonable relationship here, 93 auditors to 17,000 employees?

Mr. DELLINGER. Mr. Chairman, I would have to find out first, upon beginning work in my position, the present status of the audit

groups, what they are working on, and where they are devoting their energy and technical know-how, and then I would, upon the request of the Inspector General, make suggestions as to perhaps changing audit groups, or audit staff members, to take those positions in which the greatest risk of waste and fraud appear to be evident.

The CHAIRMAN. I think the papers which you have submitted to us are all in order. They have been made a part of the record in this hearing. I know of no further questions that need to be addressed to you at this time, and I have been informed of none by others.

I appreciate your testimony here this morning and look forward to the work that you will be doing and hope that we don't have any great occasion to call upon you, although certainly we will do so if you have reason to testify on matters that are of importance to the public and public information.

I might indicate, too, that my staff and myself are available at any time to yourself and to the Inspector General if consultations are necessary or desirable on whatever basis is necessary.

I appreciate your appearance here this morning.

Mr. DELLINGER. Thank you.

The CHAIRMAN. If there is nothing further to come before the committee, the committee will be adjourned.

[Whereupon, at 10:25 a.m., the hearing was adjourned.]

APPENDIX

INFORMATIONAL STATEMENT OF ARTHUR J. DELLINGER, SR.

PERSONAL

Home Address: 4713 Maytime Lane, Culver City, California
Born: December 12, 1917, Chicago, Illinois
Marital Status: Married - Dorothy R. Dellinger

EMPLOYMENT

1946 - Present: Engaged in active practice of accounting as principal or partner of small to medium sized firms with offices in U.S. and abroad. Presently, Senior Partner, Dellinger and Dellinger, Certified Public Accountants, Los Angeles, California.

September 1942 - January 1946: Served as a combat flying officer, First Lieutenant, 20th Air Force, Saipan, M.I. Retired from U.S.A.F. Reserve, October 1952.

September 1939 - September 1942: Practiced public accounting and attended school.

July 1937 - January 1939: Employed by Southern California Edison Company and attended school.

June 1936 - July 1937: Employed by Bank of America and attended school.

EDUCATION

University of West Los Angeles California, College of Law
June 1969 to June 1970, LLB Degree

University of San Fernando Valley, California, College of Law
September 1966 to June 1969

LaSalle Extension University, Chicago, Illinois, School of Accountancy,
September 1937 to May 1942, Certificate of Graduation

Willis Business College, Santa Monica, California, Basic Accounting
and Economics, August 1936 to August 1937

Took various non-credit accounting courses during 1946-1950 at
U.S.C., U.C.L.A. and Southwestern University, Los Angeles.

MEMBERSHIPS

Professional Organizations: American Institute of Certified Public Accountants, California Society of Certified Public Accountants, New York Society of Certified Public Accountants, National Association of Accountants, American Accounting Association.

Non-Professional Organizations: Sertoma International (Life Member)

Educational and Charitable: CFTR Education Foundation; Trustee and Treasurer. Anderson Foundation, San Diego, California; Trustee and Treasurer.

UNITED STATES SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: DELLINGER ARTHUR JOHN
(LAST) (FIRST) (OTHER)

Position to which nominated: Deputy Inspector General Date of nomination: April 22, 1982

Date of birth: 12 12 17 Place of birth: Chicago, Illinois
(DAY) (MONTH) (YEAR)

Marital status: Married Full name of spouse: Dorothy Rhea

Name and ages of children: Arthur J. (JA) Age 37
Royal S. 32
Robert H. 28

Education:	Institution	Dates attended	Degrees received	Dates of degrees
	University of W. Los Angeles			
	California, College of Law	6/69 - 6/70	LLB	6/70
	University of San Fernando Valley, Calif., College of Law	9/55 - 6/69	--	
	LaSalle Extension University,	9/37 - 5/42	Certificate of Graduation	5/42
	Chicago, Ill., School of Accountancy			
	Willis Business College, Santa Monica, CA., Basic Accounting & Economics	8/36 - 8/37		
	Santa Monica High School,			
	Santa Monica, CA	1932 1935	Graduation	1935
	Non-credit courses as University of Southern California, University of Calif. at L.A. & Southwestern University, L.A.	1946 - 1950		Accounting

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

5/78 to Present Dellinger & Dellinger, 9220 Sunset Blvd., Suite 206, Los Angeles, CA, Public Accounting

7/71 to 5/78 Arthur J. Dellinger, CPA, 4565 Sherman Oaks, Sherman Oaks, CA - Public Accounting

6/69 to 7/71 Arthur J. Dellinger, CPA, 613 Wilshire Blvd., Santa Monica, CA - Public Accounting

3/64 - 6/69 Arthur J. Dellinger & Associates, 613 Wilshire Blvd., Santa Monica, CA - Public Accounting (Change of name only)

1/62 - 3/65 - LaFrance, Walker, Jackley & Saville, Santa Monica, CA; San Francisco, CA; Okinawa; Guam; Dallas, TX; St. Louis, MO; Pittsburgh, PA; Philadelphia, PA, New York, NY; Toledo, Ohio - Public Accounting & Associates.

6/56 - 1/62 Arthur J. Dellinger, 613 Wilshire Blvd., Santa Monica, CA; Agana, Guam; Naha, Okinawa; 111 Sutter St., San Francisco, CA - Public Accounting

6/55 - 6/56 Arthur J. Dellinger & Associates, 2613 Wilshire, Santa Monica, CA

Employment record -- Continued

3/49 - 6/55 Arthur J. Dellinger, 2613 Wilshire, Santa Monica, CA
Public Accounting
1/46 - 3/49 Dellinger & Kopek, 1429 Wilshire Blvd. & 2613 Wilshire Blvd.,
Santa Monica, CA Public Accounting
10/45 - 1/46 - Unemployed - Separation for Active duty USAAF
1/39 - 2/43 - Arthur J. Dellinger, 302 Santa Monica, Santa Monica, CA
Practice as Public Accountant
9/37 - 1/39 - So. Ca. Edison, 1325 5th St., Santa Monica, CA - Utility

Military service: Enter all military service if not included above: service, dates, rank, type of discharge.

U.S. Air Force 9-42 to 1951 #0-699990, First Lt. (Active Duty 2/43 to
10/45) Honorable Discharge

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Distinguished Flying Cross

Air Medal

Presidential Unit Citation

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
American Inst. of CPA's		1951 to Present
Calif. Soc. of CPA's		1951 to Present
NY Soc. of CPA's		1960 to Present
Nat. Assn. of Accts.		1947 to Present
American Acctg. Assn.		1960 to Present
Sertona International, K.C., MD		1951 to Present
Advisory Group to Commissioner of Internal Revenue ²		1/1/82 to Present

Published
writings:

List the titles, publishers and dates of any books, articles, or reports you have written.

NONE

Qualifications:	State fully your qualifications to serve in the position to which you have been named. (attach sheet)
Future employment relationships:	1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate. YES 2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization. NONE 3. Has anybody made you a commitment to a job after you leave government? NO 4. (a) If you have been appointed for a fixed term, do you expect to serve the full term? N/A (b) If you have been appointed for an indefinite term, do you have any known limitations on your willingness or ability to serve for the foreseeable future? NO
Potential conflicts of interest:	1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated. NONE 2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated. <u>Upon my withdrawal as a partner in Dellinger and Dellinger, I will remain liable for the partnership obligations which California law imposes upon former general partners. I do not foresee that any such continuing obligation will give rise to any conflicts of interest.</u>

Statement of Qualifications

For more than 30 years I have actively practiced as a Certified Public Accountant. During this period I have been involved at one time or another with a broad range of accounting problems for a variety of clients. I have appeared before the Treasury Department and S.E.C. on numerous occasions as well as before state and local government agencies. Of perhaps more particular interest to this Committee, I have prepared budgets and forecasts and performed audits in connection with Government contract matters. For example, I supervised audits in a situation which required a thorough understanding of the regulations of the United States Command of the Ryukyu Islands and the Bureau of Indian Affairs. Moreover, during the past seven years I have had extensive experience in working with the Federal Election Commission. Such professional success as I have enjoyed has required the development and application of effective communications skills.

If confirmed, I believe that my professional experience, briefly outlined above, should serve me well in discharging the important responsibilities of the Office of Deputy Inspector General in the Department of Energy.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

I have represented many clients before the U.S. Treasury Department at all levels of the I.R.S. Most of these matters are closed. I will withdraw completely from all pending cases. I do not foresee a circumstance in which my having participated in these matters will give rise to a conflict of interest.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy.

NONE

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. Prior to assumption of office, I will sever my relationship with my C.P.A. firm, terminate all of my responsibilities regarding pending matters and withdraw my financial interest in the firm subject to my continuing obligation as a former general partner mentioned above on page 4. My withdrawal will be formalized in a written agreement and, when executed, copies will be provided to the Office of Government Ethics and to this Committee.

6. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them.

Prior to assumption of office, I will terminate my relationship with all of the organizations listed in Schedule D of the Standard Form 278. In the matters discussed above and during my tenure in office, I will seek and follow the advice of the Office of the General Counsel.



Department of Energy
Washington, D.C. 20585

MAY 11 1982

Mr. Arthur J. Dellinger
4713 Maytime Lane
Culver City, CA 90230

Dear Mr. Dellinger:

This is intended to serve as a statement from the designated agency ethics official of this Department, as required by question 6 (page 5) of the Statement for Completion by Presidential Nominees that you are submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination for the position of Deputy Inspector General, Department of Energy. I have reviewed your Standard Form 278 (Financial Disclosure Report) dated January 26, 1982 and updated through April 15, 1982, and your Form DOE-460 dated April 6, 1982. I have certified that the information contained therein discloses no conflict of interest under applicable laws and regulations.

It is our understanding that, prior to assumption of office, you will resign your positions in all of the following organizations:

CFTR Education Foundation
Citizens United for a Revitalized Economy
The Lilkey Corporation
Anderson Foundation
Reagan for President Committee
Reagan-Bush Committee
Reagan-Bush Compliance Fund
Camp Polk, Inc.
The First Harbinger Corporation
Hamilton Golf Systems, Inc.
Advisory Group to the Commissioner, Internal
Revenue Service

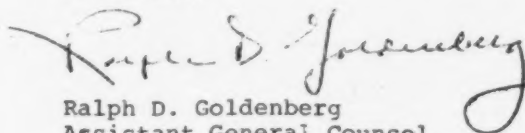
Moreover, you will withdraw as a partner in the firm of Dellinger and Dellinger subject to such continuing obligations as the law imposes upon a former general partner.

As a supervisory employee of the Department, you are prohibited by section 602(a) of the DOE Organization Act (Pub. L. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern. The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

Further, section 208, title 18, United States Code, makes it a criminal offense for you to participate personally and substantially, as a Government employee, in any particular matter in which you have, or your spouse, minor child, partner, organization in which you are serving as officer, director, trustee, partner, or employee, or any person or organization with whom you are negotiating or have any arrangement concerning prospective employment has, a financial interest. Accordingly, you should avoid participation in any particular matter the outcome of which could have a direct and predictable effect on any financial interests that you may have.

Please let me know if I can be of further assistance.

Sincerely,



Ralph D. Goldenberg
Assistant General Counsel
for Standards of Conduct

Financial
statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).
2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

NONE

3. Are any assets pledged? (Add schedule.)

None; other than my home securing the first deed of trust

4. Are you currently a party to any legal action? Yes
(1) Dellinger and Dellinger (A partnership) v. Cincinnati Milacron (Product Liability)
(2) A. J. & D. R. Dellinger v. Commissioner of Internal Revenue (U.S. Tax Court)

5. Have you ever declared bankruptcy?

NO

6. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

YES

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit? YES - 1963 to 1964 Tax years - Issues involved tax treatment of investment losses, case closed
1976 - Issues involved tax treatment of commodity straddle petition on file U.S. Tax Court (See item 4 above)

United States of America
Office of
Government Ethics

Office of Personnel Management
Washington, D.C. 20415

APR 28 1982

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, DC 20510

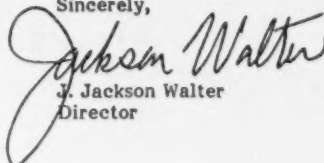
Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Arthur J. Dellinger, who has been nominated by President Reagan for the position of Deputy Inspector General for the Department of Energy.

We have reviewed the report and have also obtained advice from the Department of Energy concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Mr. Dellinger has indicated that upon confirmation he will resign from the twelve present positions he has listed on Schedule D. Further for purposes of compliance with 18 U.S.C. § 209, the severance agreement with Dellinger and Dellinger also noted on that schedule will be reviewed by the Department and this Office when finalized.

Subject to affectuating these commitments, we believe that Mr. Dellinger will be in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,


J. Jackson Walter
Director

Enclosure

FINANCIAL DISCLOSURE REPORT				Form Approved OMB No. 32-0603	Page 1
Reporting Status (Check Appropriate Box) ☒ New Entrant, Nominee, or Candidate ☐ Incumbent		NOTE All schedules must be filed. Enter "None" in areas or across schedules where appropriate.		Agency Use Only Date of Filing (Month, Day, Year) MAR 12 1982	OG&L Use Only
Reporting Individual's Name Last Name: DELLINGER First Name and Middle Initial: ARTHUR J.		Termination Report ☐		Termination Date (If Applicable) (Month, Day, Year)	
Position for Which Filing Title of Position: Deputy Inspector General Department or Agency (If Applicable): Department of Energy		Address (Number, Street, City, State and Zip Code) 9220 Sunset Boulevard, Los Angeles, California 90069		Telephone No. (Include Area Code) (213) 275-4252	
Location of Present Office		Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No		Termination Date (If Applicable) (Month, Day, Year)	
Presidential Nominee Subject to Senate Confirmation Name of Congressional Committee Considering Nomination: Energy and Natural Resources		Other Positions Held None		Date (Month, Day, Year) January 26, 1982	
Certification I CERTIFY that the statements made on this form and its attachments are true and correct to the best of my knowledge and belief.		Signature of Reporting Individual: <i>Arthur J. Dellinger</i>		Date (Month, Day, Year) 4-9-82	
Agency Ethics Officer's Opinion The information contained in this report discloses no conflict of interest under applicable laws and regulations.		Signature of Designated Agency Ethics Officer Reviewing CFI: <i>Thomas E. Robinson</i>		Date (Month, Day, Year) 4-9-82	
Office of Government Ethics Use Only		Signature: <i>Thomas E. Robinson</i>		Date (Month, Day, Year)	
Comments of Reviewing Officers (If additional space is required, use the reverse side of this sheet). <i>Mr. Dellinger will resign from all civil positions prior to assumption of office (Schedule D). This form has been updated by Mr. Dellinger through April 15, 1982, BJA</i>					

SE 171-Required Disclosure Report
Form 1780

This schedule, except as noted for the third section, is applicable in the case of all reporting individuals.

LIABILITIES

S or DC	Name and Address of Creditor	Type of Liability (e.g., promissory note, margin account) Give date, interest rate and, if applicable, term	Agency Use Only		Page Number	Schedule D
			Reporting Individual's Name	Date of Filing (Month, Day, Year)		
	American City Bank, 10000 Santa Monica Boulevard Los Angeles, California 90067	Note secured by equipment 8/15/78 payable monthly 5 year term due 8/15/83, Partnership obligation int. 3% plus prime	Dellinger, A. J.	MAR 12 1982		
	American City Bank, 10000 Santa Monica Boulevard Los Angeles, California 90067	Promissory note 4/24/78 payable monthly - ten year term due 4/24/88, partnership obligation int. 3-1/2 plus prime			X	
	The Commercial Bank of California, 9255 Sunset Boulevard, Los Angeles, California 90069	Promissory note 5/12/81 due date 11/12/81, Interest 2 3/4 plus prime, Partnership obligation			X	

POSITIONS HELD:

Name and Address of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Anderson Foundation 9741 Blackgold Rd., La Jolla, Ca, Reagan for President Committee Washington, D. C.	Treasurer and Director	5/68	Present
Reagan-Bush Committee Washington, D. C.	Treasurer	9/28/81	Present
Reagan-Bush Compliance Fund Washington, D. C.	Treasurer	9/28/81	Present
	Compliance Committee	9/18/81	Present

COMPENSATION IN EXCESS OF \$5,000 PAID BY ONE SOURCE. This section is applicable only in the case of nominees and new entrants.

Name and Address of Employer	Kind Description of Compensation
Citizens for the Republic 1253 7th Street, Santa Monica, California 90401	Accounting, compliance, tax services, compensation received by Dellinger and Dellinger
Chemehuevi Indian Tribe Havasaland, Ca.	Auditing - Compensation received by Dellinger and Dellinger
Reagan-Bush Compliance Fund, Washington, D. C.	Treasurer, Compensation received by Dellinger and Dellinger

RELATIONS WITH OTHER EMPLOYERS

Description of Terms of Any Agreement or Arrangement	Date (Mo., Day, Yr.)

0-176-601-0-0001: 1-1-1

EXECUTIVE LEVEL POSITION STATEMENT

Position Title: Deputy Inspector General

Grade: EL-V - Presidential Appointee (PAS)

The Deputy Inspector General serves as a full deputy and alter ego to the Inspector General and participates fully with him in planning, coordinating, supervising, and conducting investigations and audits of all Department of Energy activities, including those of the Federal Energy Regulatory Commission (FERC), to promote economy and efficiency and prevent fraud and abuse. He assists in providing policy direction to the subordinate staff audit, investigation and inspection staff and in reporting findings to the Secretary, the Chairman of the FERC, and Congress.

STATEMENT OF ARTHUR J. DELLINGER
TO ACCOMPANY FINANCIAL DISCLOSURE REPORT,
FORM SF 278

The undersigned is presently a partner in Dellinger and Dellinger, a general partnership, practicing as certified public accountants. In the event of my appointment, it is my intention to withdraw as a general partner from the partnership, although as a general partner, I will continue to be responsible for the liabilities of the firm. *for use SF*

In connection with all other positions held, or relations with other employers described in the form, I will resign all positions held as either an officer or director, if required as a condition of my appointment.

Arthur J. Dellinger
Arthur J. Dellinger

April 6
January 26, 1982

COLUMBIA
DISTRICT OF) ss

AFFIDAVIT

Arthur J. Dellinger, being duly sworn, hereby states that he/she has read and signed the foregoing Statement for Completion by Presidential Nominees including the Financial Statement and that the information provided therein is, to the best of his/her knowledge and belief, current, accurate, and complete.

Subscribed and sworn before me this 11th day of May, 1982

Charles E. Huntington
Notary Public

My Commission Expires November 14, 1984